

From: Charles Lee <Charles.Lee@midfirst.com> on 01/30/2004 03:00:37 PM
Subject: Regulation Z - Truth in Lending

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January 30, 2004

Jennifer Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

Ms. Johnson,

MidFirst, a federally chartered savings association, is pleased for the opportunity to respond to the Proposed Rules regarding the clear and conspicuous standard for consumer disclosures. While this comment is most directly in response to the Regulation E Proposed Rule, the nature of the comment is equally applicable to the Proposed Rules for Regulation B, Regulation Z, and Regulation DD. MidFirst agrees that a well-defined clear and conspicuous standard will reduce the instance of misunderstanding or confusion between a financial institution and the customer. MidFirst also agrees that a single uniform standard for multiple regulations improves efficiency and reduces errors. MidFirst therefore agrees that the proposal is worthy of serious consideration. However, MidFirst requests that the Board of Governors of the Federal Reserve consider the potential for technology or operational limitations regarding any changes to the clear and conspicuous standard in relation to receipts at electronic terminals and periodic statements among other required disclosures. For example, required changes to modify the type size or to use everyday words or an active voice may require software programming changes, hardware purchases, or other modifications. This same situation applies to disclosures provided at account opening which are often either a preprinted form purchased from a vendor or a computer generated form; in either situation, the Board of Governors should allow adequate time to exhaust existing supplies or to make any necessary technical changes. MidFirst asks that financial institutions be allowed some flexibility in balancing the volume of disclosure, e.g. the number of pages of disclosures, with the clear and conspicuous features, e.g., white space, larger fonts, etc. so that the benefits derived from clearer and more conspicuous disclosures are not lost by increased paper passed back and forth. Finally, while alluded to, MidFirst specifically asks the Board of Governors to allow for flexibility regarding clear and conspicuous standards involving advertising since certain types of advertising media, including newspapers, periodicals, and television, provide institutions with less flexibility and control in regard to the variables influencing compliance with the clear and conspicuous standard. MidFirst would be happy to respond to any questions.

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